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Labor and Production¹

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THE desire to achieve something is one of the most deep-rooted of human instincts. How keenly every normal man, whether he be a millionaire or governor, or one of the masses of men whom one passes on the street, or meets at some public gathering—how keenly every normal man rises in spirit at the thought that he has personally accomplished something, or that he has himself had some substantial part in doing that which he or others consider to be clever, or well done. To bring to pass that which he has set out to do, to overcome in triumph some private—or better yet a public—obstacle, the ordinary man will often undergo serious deprivation; and, it may be, struggle on for years without wholly giving a thing up. But if finally he is successful, the whole struggle will be looked back on as a great event and a great pleasure.

It is, therefore, only by a strange perversity of things that a large proportion of the people who work today find themselves compelled to neglect one of their most natural human instincts, and spend their lives in doing that in which they have little or no interest. It would indeed be the greatest gain that could possibly come to labor for it to find some way in which it might have a part in that great effort for the production of goods, for which industry exists and in which labor's body is already engaged. For labor would then, in fact, be free; industry would be its

enterprise; men would go to work with the idea of accomplishing something instead of because they were driven. Work would have more of that spirit in which union officials direct their own organizations; in which house owners improve and beautify their own grounds; or in which big industrial leaders plan for the development of large ventures. More than this, labor would be working clearly in the service of society; it would have the satisfaction of knowing that like the soldier in battle or the friend who lends a helping hand, it was contributing to the welfare and progress of the world and could expect as much from all others.

The infusion into industry of the spirit of coöperation instead of that of conflict; the creation of such conditions that men may find a great satisfaction in pitching in and helping things along rather than feel themselves impelled to hold back is not a simple matter. Circumstances not of labor's making are chiefly responsible for the present lamentable situation by which the wills of the people who make up the rank and file have been so generally turned against the wills of the people who normally should lead. But the responsibility for present conditions is not the matter of chief consequence. The important question is: How may matters be remedied, and, in fact, improved? It must be granted that the issues which have arisen between labor and its employers are very real ones; but, even while labor continues to protect with all the vigor in its power the special interests of its members, there are, we believe, certain very definite steps

¹ Reprinted from the March, 1920, issue of the *American Federationist*, by permission of Samuel Gompers, President of the American Federation of Labor.

which labor itself might well take towards winning for itself greater recognition as a co-partner in production.

The first essential question that rises in this connection concerns the extent to which a definite trade union movement such as the American Federation of Labor would be justified in throwing itself into a campaign for greater production. To dispose satisfactorily of this matter, it will be advisable to recall briefly the origin of the labor movement and draw a few conclusions with respect to underlying motives, aims, and logical lines of development.

THE MODERN LABOR MOVEMENT

The real nature of the modern labor movement, and what it may normally be expected to do, will best be understood if it be considered that the labor movement is, in origin and fundamental tendencies, a reaction against the too strictly mechanical and profit-making conception of industry, almost universally adhered to not so long ago.

Owing to the epoch-making inventions and intensive business enterprise of the eighteenth and nineteenth centuries, the comparatively simple life of earlier periods had, by the middle of the nineteenth century, practically disappeared. In its place there was fast rising the dazzling modern world of towering cities and pulsating factories, of far-flung systems of transportation and communication, and a myriad of mechanical inventions. The rapidity of the growth of this great new structure was largely due to the completeness with which individuals were allowed to seek their own ends, and the singleness of purpose with which the powers of science were brought to bear upon whatever project was once decided on. Unfortunately, the great mechanical improvements of the new age and the unheard of piling up of wealth were not, for the

most part, based on any systematic study of what society or human nature really required. On the contrary, it was rather the typical thing for an engineer, thinking only of attaining some mechanical end, to construct a tool or a system of production which was in itself little less than hideous, or for a business man, thinking only of profits, to attempt the enslavement or exploitation of large numbers of his fellow men. In a word, in spite of the unprecedented brilliance of our modern civilization, it has been and still is filled with much waste and misery, with much effort that helps one man but injures another, with a lamentable lack of teamwork and coöperation.

It may be said that it was owing to a widespread loss of confidence in the sufficiency of the old theory that each individual should work only for himself that the modern labor movement arose. The basic philosophy of this movement holds that, instead of each person fighting only for himself, men should organize and coöperate so as to attain by direct and conscious, rather than by roundabout means, the betterment of their condition and the enrichment of their common life. Instead of first raising the question as to how an individual or an industry might make profits, or as to how some special mechanical end might be accomplished—as was the rule during the last century—the organized labor movement holds that the first thought of men should be for the basic needs and desires of mankind; and the second consideration should be, how may these wants and aspirations be most directly and speedily attained.

There are, of course, a great many things both good and bad that might be set down with regard to the more particular beliefs and principles that have at times guided all or a part of labor's leaders. But granting that this

is the essential spirit, as opposed to the more or less changing tactics that have underlain the development of the organized labor movement, the proposition would seem to be self-evident that there are just three distinct roads along which labor may effectively and consistently advance in its effort to attain what are, in fact, its main ends.

The first possible avenue of advance for the labor movement may be described as the more abundant production of material goods. It goes without saying that labor will not be satisfied until its own people are able to enjoy many of the comforts and luxuries now obtainable only by the rich and well-to-do. But the standard of consumption of the many cannot be raised anywhere near that of the few unless production is maintained and is, in fact, very greatly increased.

The second basic need of labor, and the one most generally recognized, is that at least a proper share of the goods which are produced must go to the actual workers. This proposition is also so obvious that merely to mention it is to demonstrate its truth. It has already been noted that one great failure of modern civilization has been the extent to which large masses of people have failed to share as they should have shared in the general progress and prosperity. The labor movement has from its very beginning, therefore, persistently endeavored to secure for the workers a fuller measure of the product created by industry.

The third and last consideration which needs to be mentioned here as necessary to the full development of labor's program is also one that labor very definitely understands. And that is the principle that no matter how great the volume of production or how just the distribution of goods, society, and especially labor, will move backward if the work processes or the con-

ditions surrounding employment are such as to be physically, mentally, or morally destructive. Another essential task of the labor movement has therefore been—and always will be—the direct improvement of working conditions and the elevation of labor to an honorable and agreeable status in society.

As between these three great fundamental tasks which would seem to be the necessary basis of the labor movement, it would be improper to say that any one is of subordinate importance. For complete failure anywhere would mean disaster, and advance along all the lines that have been indicated is desirable.

Nevertheless, it is our purpose here to develop the proposition that in proportion as the labor movement becomes more thoroughly organized and unified, in proportion as it is able to rise to a grasp of its more fundamental needs, the main emphasis must gradually be shifted from the second and third of the three ends mentioned to the third and first. In other words, where in the past the chief emphasis has been on wages, with second place given to working conditions, in the future the improvement of working conditions will continue to grow in importance, but more important than either wages or working conditions, if importance be measured in terms of attention required, will be the problem of increasing production.

In reaching the conclusion that the labor movement of the future must tend to concentrate on the task of furthering production, two assumptions have played a leading part. The first assumption is that in a very considerable portion of industry labor either has gained by this time, or is in a position where it hopes that it will soon be able to gain, not far from as large an income as the state of production will

permit. To the extent that this assumption is well grounded, it is evident that the chief limitation to further wage advances must fairly shortly become the actual earnings of the various industries involved.

We do not mean by this that any one would claim that every class of labor has already obtained the exact wage to which under existing circumstances, it is entitled. It may even be true that labor as a whole should receive a substantially larger share of the product of industry than the present system yields. It must be entirely clear, however, to any one who has observed the size and scope of the undertakings recently entered into by the labor movement at home and abroad, that labor has in recent years made some very great strides forward. It is at present in so strong a position that, provided it does not destroy its power by trying for things inherently impossible, it should be able to clear up very many of the injustices which in times past were the marks of a system of production dominated entirely too exclusively by commercial and employer interests.

The establishment of justice in distribution is not to be regarded as contingent on the success of any one particular plan. One program, that actively pushed by the conservative element in the American Federation of Labor, holds that future gains in production may best be gained by labor as the result of the perfection of the system of collective bargaining. If the federation plan should make headway in anything like the degree indicated by the experiences passed through during the war, it is not difficult to see how ever stronger unions might, in the course of their periodic trials of strength with the employers, take just about such a part of the profits of an industry as the state of production and other conditions in the industry would per-

mit. The insurgent group in the labor movement, on the other hand, believes that this is too roundabout a method and that the way out will be through a more conscious and definite partnership between employers and employes under which it can be understood at the outset how the gains are to be distributed, and under which all can share both in responsibility and in reward. Others, mainly outside of the unions, hold that at least a part of the gains from greater production can be made to go directly to labor by way of a system of regulation of profits, or taxation, that would lower prices or increase the volume of free goods furnished by the state.

As between these various plans, there may be much difference of opinion as to relative merits or defects. The point which we wish to make here is that, underneath them all, there can be no mistaking but that there is a very strong movement of society towards some system of industry that will come much nearer to granting to labor that which labor produces, than has been the case heretofore. If this underlying fact be recognized, then labor's interest in making production as great as it can be made is too obvious to need further comment.

Members of the American Federation of Labor who are now engaged in many prolonged and bitter struggles not only over questions of wages but over the whole matter of the life and status of the union may cry out here that we are saying entirely too much; that the battles of labor are, in fact, waxing hotter rather than easier, and that this certainly is not the time to talk glibly of production. If labor could do only one thing at a time that might indeed be so, but there is no reason why labor in taking new thought should weaken itself in the least as regards its present activities. On the

contrary, the very intensity and determination back of the struggle which it is now waging should make labor look ahead and prepare itself for exercising the responsibilities that would attend success. Labor is, on the whole, fighting an offensive rather than a defensive war. Why carry on such a campaign unless one expects or hopes to succeed? And if one expects or hopes to succeed, why should one not display one's confidence to the world by preparing for it?

Preparation for success—a revamping of the labor organization so as to make it strong in the art of facilitating production as well as in that of war—would in fact tend mightily to bring about that very state of success. If labor cannot be expected to interest itself in production unless it participates in the gain, neither will the public be willing that labor share actively in the management and rewards of industry, except as it becomes evident that such a rearrangement of things will mean more goods, greater welfare, and a sounder industrial system. For labor or any group of men to imagine that they can overturn or modify the existing system unless something better is built up in its stead would be the height of folly. In proportion, therefore, as labor believes that its cause is fundamentally just and that its place in industry is entitled to a basic and lasting recognition, it should be the more bent on building up such constructive policies as will make its organization a real support and a mainstay of the production system. That is, whether labor's right to a full share in industry's proceeds is viewed as all but won, or whether it is still considered a goal painfully to be striven for, there would seem to be no question but that it is altogether to labor's interest to join forces with those fighting for greater production.

The other fundamental assumption underlying our conclusion that labor must turn its attention towards matters of production is that labor is sincere in its indictment of the aims and methods of the older capitalistic system, as those have been outlined near the beginning of this article, and that in exercising power itself labor will aim to be more systematic and farsighted in its effort to remove basic weakness, and strive more consciously to build up a fundamental economic prosperity. As against this second proposition it may be argued, and with some show of reason, that many individual workmen, like many individual capitalists, will continue to act on the theory that the more they can grab for themselves the better off they will be. They may suppose, and in times past they undoubtedly have supposed, that no regard need be taken either for society or for other workmen, that no attention need be paid even to the matter of their own long-run prosperity. But here we are speaking of the labor movement, and the labor movement of today as such has, as has already been pointed out, definitely dedicated itself to the ideal of organization. Not only is it held that workman should unite with workman and trade join hands with trade, but the method of dealing with the employers themselves is to be put on a new footing. The dominant labor movement of our times is thoroughly committed to the principle that negotiation should take the place of uncompromising hostility. Joint agreements that will reconcile conflicting interests, but forward mutual prosperity and advantage, are the essence of its present program.

PRODUCTION THE MAIN INTEREST OF LABOR

But a little reflection should make it clear that labor cannot make a success

of its program for world organization and for the mutually advantageous relationship of labor with capital, unless it first comes to the forefront as the advocate of measures which will be of universal advantage to all concerned. It must break completely with the old individualism which till now has colored the minds both of employer and employe. Organization and organized bargaining are in their very nature a harmonizing of forces which were formerly in conflict in order that some greater end held by all and of advantage to all may be attained. Hence, concern for production, the one great common end of industry, must in the very nature of the case become the chief driving force upon which labor must depend if, indeed, there is to be any real life or permanency to the various alliances, great and small, which it is labor's chief ambition and function to set up and maintain.

In short, in proportion as the principle of labor organization is perfected and its branches are extended into all trades and all countries, less and less room is allowed for fighting, and greater and greater will be the demand for constructive work. From the very fact that many formerly opposed groups will have been brought together into one fold, the labor group, above all other large bodies of men will be compelled to think in terms of common welfare. If, to the acquisition of fairly complete external power, labor indeed adds the achievement of comparative unity within itself, further emphasis on mere increases in wages, without a corresponding increase in production, would simply mean that one group of labor would gain what another group of labor would lose—an altogether impossible and unprofitable program for labor to advance as its main goal.

Is it not reasonable to conclude, therefore, that as time goes on a new

emphasis on production and efficiency, with accompanying attention to working conditions, is the only logical outcome? Should not the positive enrichment of the world in all those articles and services for the lack of which the workers, more than any other class of society are now in such great need, be the ultimate and greatest function of the united and perfected labor movement? It is one thing, however, to lay down a general principle as to what is desirable, and sometimes quite another thing actually to accomplish its working out.

The second problem that needs to be considered in this connection is, therefore, the more detailed and practical one as to just how the labor movement, especially the organized labor movement, is going to help increase production. Assuming that labor accepts the challenge of the times and tries so to shape its organization and activities as to help remedy the world's crying need for greater production, just what in fact can it do? What can labor as such accomplish that could not be done equally well or better by those already in charge of industry?

Perhaps the most fundamental thing that organized labor as such could do would be to advance as its own the general philosophy that production is the goal of industry; that it is the special aim and opportunity both of labor as a body and of each individual worker.

This matter is mentioned as most fundamental because, midst the heat of industrial conflict, there is always danger that the opposite philosophy will in fact gain ground. Forgetting that it is upon the product of labor that labor subsists, workmen are very apt to assume that production is merely of interest to their employers. Groups of men in this shop or industry or that may even fall into an attitude of hold-

ing back from their employers whatever of their potential product they can. If now by a vigorous campaign organized labor could effectively stamp out this tendency, first by fighting as heretofore the unjust conditions which provoke men to revolt and then by teaching the supreme value and necessity of production, it would in fact remove the greatest single obstacle to the attainment of a mutually advantageous efficiency. More than this and better than this, it would at the same time be performing a special spiritual service for all labor. For by making it possible for each employe to feel that he is working in a great cause, it would help put purpose into his life and permit the admission into it of the adventure of personal achievement.

The spread of a labor philosophy emphasizing production would come most appropriately from organized labor, and indeed it is doubtful whether it could well come from any other source. The leaders of organized labor are elected by the rank and file to look with special care into all questions which may affect labor's welfare. They speak with authority and for the most part with freedom from suspicion, a matter of great importance when it comes to trying to influence the feelings of labor on a subject so delicate and so influenced by past impressions. The officers and members of the unions would, in short, be the best possible persons to engage in educational work along this line, assuming, of course, that they shall first have been themselves convinced that the end is a worthy one.

There are many ways in which a union might spread interest in the problem of production. It will be necessary, however, to do more than merely make the bald assertion that production is necessary and desirable. Real conviction will come to a group of workers

only when they themselves appreciate the function which their industry in general and their jobs in particular are performing for industry and society. This is a matter for prolonged demonstration and explanation. Other agencies besides the union will be of help. Yet the quickest and most genuine conviction will be reached only if the leaders of the men themselves take up the work.

RESPONSIBILITY OF LABOR AND CAPITAL FOR STRIKES

Turning now to an enumeration of the more concrete economies and efficiencies which labor, once it adopted such a general philosophy, might introduce into industry, partly through the moral stimulation of individual workmen but preferably also as features of a well thought out collective program—the first and most obvious waste that labor could help prevent is that caused by strikes. Labor alone cannot solve this problem. But neither can it be solved without the help of labor. Without suggesting for a moment that labor should at this time give up its right to strike, it may still be pointed out that a reduction in the wastage caused by strikes and lockouts would be greatly facilitated if both labor and capital would keep in mind the real cost of such occurrences. If both labor and capital will only realize how seriously both suffer from interruptions of service, not only in the immediate loss of wages and profits but in the general demoralization of industry and the loss to society of the goods which otherwise would have been produced; if labor and the employers could only get together, either alone or with the public, and make a genuine effort to see just how far differences can be worked out without resorting to strikes, a solid foundation will have been laid for the development and exe-

cution of more peaceful and less wasteful methods of adjusting industrial disputes.

The constant maintenance of productive operations is daily becoming of more and more vital importance to modern industry. The loss caused by a strike is usually much greater than the loss to employers and employes in the particular industry or branch of an industry involved, great though that may be. For in proportion as the world's industry becomes more complicated and its parts fit more perfectly into one another, cessation of work in any one department is bound to cause greater and greater disorganization. At present we manage somehow to live through strikes. But if industry is ever to reach any decidedly higher efficiency, much of that efficiency will consist in so planning industries in relation to one another that where one industry finishes a product another will take it up, without costly storage or duplication of facilities or processes. We can never reach that higher degree of efficiency in which all industry will run as one plant, enriching the world almost automatically with a flood of goods until labor and, in fact, everyone connected with industry is thoroughly filled with the idea that the plant must keep running and every person must be faithful at his post.

The matter of strikes has been taken up first, because at the present moment it happens to be uppermost in the public mind. But there is a second and, in the long run, much more important concrete service which labor might render production, and that is in the daily offering by each individual of all the service of which he is capable. Consider for a moment the fundamental difference between an industry in which labor conceived itself as driven to produce goods in which it has no interest and an industry in which labor

has really taken hold of the fact that production is its own most cherished end. Suppose that production was in truth regarded as the gain of labor. Suppose that he who by his ability or earnestness surpasses the general average was regarded by his fellows as a benefactor, as a comrade to be honored and emulated. Suppose that the zest of sport and the enterprise of business, the ardor of patriotism and the good humor of friendly association were all thrown together and allowed free play about the workshop; can anyone doubt but that production would spring up into an entirely new life and output reach heights hitherto unattainable?

A NEW SYSTEM OF PRODUCTION NEEDED

Everyone who has ever studied a group of people at work, whether they be school children, business men, or day laborers, knows that the potential capacity of individuals varies greatly. If the work at hand be thought of as something to be shunned, then the abler and the average individuals will hide behind the weak ones, and these last will in self-defense maintain their own and the general standard as low as possible. But if an abundance of good work well done is conceived in its true light as in reality an enrichment of mankind, of one's associates, and of one's self, then why should there be any limit at all to the skill and earnestness which men ought to throw into their work? Why, indeed, should production not be made to boom? Why should not the weak do what they can, the average come up to average possibilities, and the able lead and guide, and, as far as it is possible, advance production to higher and yet higher levels? Assuming always that proper safeguards have been established to prevent overwork or oppression, why should not the notion of an industry

freed from friction and suspicion and dedicated to achievement be made the goal of labor? A system of production filled with this spirit would surely be a revolutionized one. Its capacity for output would be entirely beyond the range of our present experience.

Yet such a change, great as it would be, is quite limited in its possibilities compared with the changes which, with the help of labor, could be introduced into the technique of industry. As the last point of our analysis, it may be pointed out that after all, what is most needed in industry is not continuous work, or more work, but the elimination of toil. What man really wants is to achieve great and satisfactory results with the least possible effort. But this means that methods must constantly be overhauled and improved. The more rapidly an industry proposes to advance the more frequent and drastic must be these changes in technique.

Now, unless a labor force is really interested in production, it is a very difficult matter to introduce changes in method. There is a tendency among all people to prefer to go on doing as they have been doing in the past. Besides, an innovation in the method of work may imperil a man's livelihood. Unless care is taken, it may reduce his income and lower his standard of life. Hence, both for instinctive and for thought-out reasons, persons not vitally interested in production are apt to hang back from helping along with what would really be important improvements, thus seriously retarding the establishment of production on an efficient basis. Hence the importance of labor's being thoroughly convinced and won over to a support of the principle that in the long run improvements are an advantage and that labor's only precaution should be to see that, along with the basic good, no element of injustice accidentally slips in.

It is not only desirable that labor acquiesce in the introduction of improvements. It should also be pointed out that labor is capable of being a very powerful instrument in bringing advantageous changes about. Not only can labor through its organization bring pressure to bear on employers to introduce improved methods and out of its energy and funds subsidize efforts along this line, but if the spirit of improvement and waste elimination pervades the ranks, it is possible for mind that is now inert to become active in bringing progress about. Suppose that every workman was striving to eliminate the useless motion or the unnecessary job. Suppose that those who handled materials and machines were each in their own manner specialists on production and ready with suggestions and action. It should be noted that increase in efficiency may proceed by a kind of multiplication, and that a little saving here and a little there, when joined together, may in the course of time reduce the total cost of production well nigh to nothing.

What the industry of the future should strive for is not a few leaders and a mass of slaves. Slave work should more and more be done by machines; unskilled labor should be reduced to a minimum. Man's function in industry should be the planning and designing of product and process, the utilization of mind in the effort to gain the mastery over physical nature. Only when all labor shall have been utilized to the utmost along these lines will the possibilities of industry be on a way to realization. But—it hardly need be added—to carry out all or any of this program, labor, both as individuals and as a group, must first have become really interested in the problem of production.

In conclusion, it should be noted that it is not to be expected that all these

improvements in industry and in production will be put through by labor alone. Employers must help, the government must help, the schools, industrial experts, and many other agencies must take a hand. The one most essential function that the world labor movement should perform is the endorsement of the basic philosophy that greater production is desirable. The one most necessary function for the national unions and the more specialized trade or industrial unions to perform is the establishment in each industry and in each work place of such an environment that each individual may find it possible and praiseworthy to give his best to his work.

Just how far beyond this organized labor should itself go, and how far the organization of production should in its details be carried on by employers and strictly management agencies,

need not be considered in this connection. Here the matter will simply be left with the suggestion that the world seems now to be entering upon a more democratic age, when many things formerly decided by authority will henceforth be controlled by the interested parties themselves, or their selected representatives. This situation is in itself a direct invitation to the representatives of labor to take up actively the problems and responsibilities of production. In making production the object of their collective thought and the goal of their collective action, the leaders of labor will not only be helping along a most excellent and profitable cause, but they will also be adding immeasurably to the dignity of their office and to the status and fullness of life of all those whom they represent.